

Weekend Meeting in Brussels To Consider EMS Realignment

LATE NEWS
Shuttle Crew Named for '88
CAPE CANAVERAL, Fla. (UPI) — Frederick Hauck and four other experienced space fliers were named to the crew aboard the space shuttle *Discovery*, scheduled for launch on Feb. 18, 1988, the National Aeronautics and Space Administration announced Friday.

The crew includes Mr. Hauck, 45, the commander; Richard O. Covey, 40, the pilot; and John M. Lounge, 40, George D. Nelson, 36, and David C. Hilmers, 36.

The 1988 flight, scheduled to last four days, will be the first since the space shuttle *Challenger* exploded on Jan. 28, 1985.



The head of Adam, from Michelangelo's Sistine Chapel ceiling. Restoration of the Vatican masterpiece has caused a Roman tempest. Page 5.

GENERAL NEWS
■ Vietnam reported that its forces have killed 1,500 Chinese in border fighting. Page 6.
■ Poland is inviting the pope to make his third official visit later this year. Page 2.
■ U.S. Air Force asks Congress to allow more tests for its anti-satellite weapon. Page 3.
BUSINESS/FINANCE
■ The chairman of Guinness stepped down at least for the duration of a U.K. inquiry into the company's affairs. Page 7.
■ West Germany reported a record surplus in merchandise trade for 1986. Page 7.

By Ferdinand Protzman
International Herald Tribune
FRANKFURT — European monetary and central bank officials said late Friday that they will meet in Brussels this weekend to prepare for a possible realignment of the currencies that make up the European Monetary System.

The meeting was called at the end of a week of massive intervention by EMS central banks to defend the French franc, Danish krona and Irish pound.

European central banks are estimated to have spent \$6 billion to support the three currencies against the buoyant Deutsche mark.

In New York, the dollar closed firmer on news of the meeting. Sources close to the Bundesbank, West Germany's central bank, said senior officials would attend the meeting.

The Bundesbank would not comment on the reports.

A Danish central bank official told Reuters on Friday that the European Community's monetary committee would meet on Saturday to start the usual procedure for an EMS realignment.

A West German Finance Ministry official also confirmed that the meeting was taking place, but would not comment on whether Bundesbank officials would attend.

A ministry spokesman said earlier Friday that Gerhard Stoltenberg, the finance minister, would be campaigning this weekend for elections Jan. 25, and said EMS realignment talks would require the presence of the minister.

However, sources close to the Bundesbank said a realignment could be accomplished without the presence of the Bundesbank president, Karl Otto Pöhl, or Mr. Stoltenberg.

They said that other government and central bank representatives could be empowered to take the necessary action, and cited a devaluation of the Italian lira in 1984 as precedent.

The EMS, which includes Belgium, Denmark, Ireland, Italy, Luxembourg and the Netherlands, as well as France and Germany, requires intervention when currencies move outside a mutually agreed upon range.

The mark and the Dutch guilder have strengthened against other European currencies this week as speculators on foreign-exchange markets purchased those currencies as a refuge from the dollar, which has been weakened by the huge U.S. budget and trade deficits.

The French finance minister, Edouard Balladur, has said that West Germany's high interest rates and strong trading performance encourage foreign funds to flow

See EMS, Page 11

Goukouni Urges Rebels In Chad to Stop Fighting

Agence France-Press
TRIPOLI, Libya — The former Chadian rebel leader Goukouni Oueddidi ended three months of silence in Libyan custody Friday to call on Chadian rebels to "lay down their arms" and hold talks.

Mr. Goukouni made the statement to five foreign correspondents while in the presence of senior officials from the Libyan Information Ministry. He has been under house arrest in Tripoli since breaking with his Libyan supporters in October and expressing support for the government of President Hissène Habré.

Battle in N'Gassana, forces loyal to Mr. Goukouni formally announced that they were merging with the Chadian National Armed Forces.

Adamou Younou, commander-in-chief of Mr. Goukouni's National Liberation Army, said in a statement broadcast on government radio that his troops and Mr. Habré's army "now form a single force, on all battlefields."

He said that according to the agreement, Mr. Habré's forces had agreed to provide "administration and logistics" for their new allies and to recognize the rights of their officers and noncommissioned officers.

Mr. Goukouni disputed the statement, however. He said the



Goukouni Oueddidi

Inflation Rate Falls In U.S.

Wholesale Prices Decline by 2.5%; Joblessness Drops

By Jane Seaberry
Washington Post Service
WASHINGTON — The nation's wholesale prices fell in 1986 in their biggest drop in 37 years, while the civilian unemployment rate in December fell from 6.9 to 6.7 percent, the lowest rate of the Reagan presidency, the government reported Friday.

The Producer Price Index, which measures price changes at the crude, intermediate and final stages of production, declined 2.5 percent in 1986, the biggest drop since prices fell 4.6 percent in 1949. Prices in December were unchanged.

About 200,000 jobs were created last month and a record 60.9 percent of the civilian population was employed, the Labor Department reported. During 1986, employment rose by 2.3 million. Nearly all the new jobs were in service industries.

Manufacturing continued to improve slightly, having gained 85,000 jobs since September. Factory work last month, however, was still down 100,000 jobs from a year ago. The oil and gas industry lost 150,000 jobs last year, one-fourth of its work force.

The White House lauded the economic news and said that, considering the rise in the Dow Jones average to more than 2,000 this week, "the new economic year has begun with a roar."

Private economists say that, while they do not expect a return to rampant inflation, they do believe prices will increase from the unusually low levels of last year.

The major reason for the good price performance was the drop in oil prices, the benefits of which will not be carried over into 1987, the economists said.

Jane L. Norwood, commissioner of the Bureau of Labor Statistics, noted that the U.S. labor force grew by nearly two million last year but that women accounted for a smaller proportion of that growth than in recent years, at about 53 percent.

"Growth was especially rapid in the finance industry, as lower interest rates brought increased demand for new and refinanced home mortgages," Mrs. Norwood said.

The unemployment rate for the fourth quarter last year, 6.9 percent, was just slightly higher than the figure forecast by the Reagan administration nearly a year ago.

See EMS, Page 11

Protestant Leader Shot Near Belfast; New Wave of Violence Is Threatened

The Associated Press
BELFAST — An Irish nationalist group wounded a Protestant politician in a parking lot near Belfast and threatened a campaign of violence in the weeks ahead.

The shooting Thursday night of David Calvert aroused fears of a fresh round of reprisal sectarian killings in Northern Ireland as Mr. Calvert's attackers vowed to continue attacking their opponents.

The Irish National Liberation Army, an extremist offshoot of the Irish Republican Army, claimed responsibility for the shooting.

Mr. Calvert, 40, was hit in the head and stomach and hospitalized in serious condition. The police said that two gunmen ambushed him outside his dry goods store near Portadown, 25 miles (40 kilometers) southwest of Belfast.

He is a leader of the Reverend Ian Paisley's Democratic Unionist Party. Mr. Calvert heads the party's faction on the Craigavon Borough Council, which he often uses as a platform to criticize Roman Catholic activists.

The Irish National Liberation Army said Mr. Calvert was targeted for his "outspoken and bigoted utterances" against Catholics and warned: "It is the beginning of a campaign against all those responsible for the continued oppression of nationalists in the north of Ireland."

The group, which tried to kill Mr. Calvert in 1980, claimed several bombings and assassinations in the 1970s.

Its statement said: "The campaign in the weeks ahead will show critics of the INLA that our organization is far from being a spent force."

Mr. Calvert has campaigned against government aid to Irish nationalist organizations, especially the Gaelic Athletic Association, which he asserts is "riddled with Republicanism and Romanism," and against the Fair Employment Agency, which was set up to counter job discrimination against Catholics.

In 1984 he led a delegation to Washington for meetings with U.S. congressmen "to counter Republican propaganda."

Mr. Paisley said Friday: "The attack on Mr. Calvert once again proves that the government's security policy is a sick joke."

Foreign Minister Peter Barry of Ireland said the assassins "only wish to create tension and endan-

ger innocent people in both sections of the community."
The Irish National Liberation Army and the Irish Republican Army are fighting to drive the British from Northern Ireland, where Protestants outnumber Catholics 3-2, and unite the province with the overwhelmingly Catholic Irish Republic.

Memo to Reagan Linked Hostages' Release to Arms

By David Hoffman
Washington Post Service
WASHINGTON — The White House released documents on Friday showing that at the time President Ronald Reagan approved arms sales to Iran, he was advised by his national security adviser that the shipments "may well be our only way to achieve the release of the Americans held in Beirut."

The administration has asserted that the weapons shipments were not approved as part of a swap for hostages, but to improve U.S. relations with Iranian moderates.

The documents made public Friday were Mr. Reagan's intelligence finding last Jan. 17 that authorized the sales and the withholding from Congress of information about them, and a three-page supporting memorandum.

Mr. Reagan did not read the memorandum but was briefed on it by his national security adviser, Vice Admiral John M. Poindexter, according to a senior White House official. Mr. Poindexter resigned his post after the disclosure of the sale and the diversion of part of the proceeds to the rebels fighting the government of Nicaragua.

The memorandum noted that it was against U.S. policy to make concessions to terrorists, but said an approach to Iran using weapons shipments "may well be our only way to achieve the release of the Americans held in Beirut." The word "only" was underlined in the paper.

The memorandum, which previously had been highly classified, indicated that both Israel, which acted as an intermediary for the weapons transfers, and Iran "have agreed that the hostages will be immediately released on commencement of this action."

"If all the hostages are not released after the shipment of the first 1,000 weapons, further transfers would cease," the memorandum stated. All the hostages were not released, but there were at least four arms deliveries after the Jan. 17 finding was signed.

In all, more than 2,000 TOW antitank missiles and spare parts

Iran Strikes Near Basra in New Offensive

By John Kifner
New York Times Service
NICOSIA — Iran launched a new offensive in the Gulf war Friday, and both sides reported heavy fighting near the southern Iraqi city of Basra.

By nightfall, the state news agencies in Tehran and in Baghdad, monitored in Cyprus, were claiming victory for their combatants and each asserted that "thousands" of the enemy had been slain.

The attack began at dawn, with Ayatollah Ruhollah Khomeini's Iranian forces striking across the Shatt-al-Arab waterway south of Basra and apparently gaining some ground against Iraq's 3d Army Division.

Late last month, Iran launched probing attacks, including an attempted raid by frogmen, in the area, mainly around the island of Umm al-Rassa, but were repulsed by the Iraqi defenders.

It was not immediately clear if the attack, which the Iranians code-named Karbala 5, would turn into the long-awaited major Iranian offensive. The attack was named for the holy shrine in Iraq where the major Shiite Muslim martyr figure, Hussein, was killed by Sunni Muslim rivals.

Iran is reported to have massed about 650,000 troops along the border in preparation for what its leaders have predicted will be an offensive to end the war in the current Persian year, ending in late March.

Although the outcome was still uncertain, the Iraqi news agency conceded that the Iranians had gained a "foothold" on the west bank of the Shatt-al-Arab and spoke of "pockets of resistance."

The Iranians, for their part, claim to have penetrated about 2.5 miles (four kilometers) past the river into Iraqi lines in the area of Salamchah, about 22 miles south-east of Basra. They said they had also launched another attack in marshlands further north.

As has been the case throughout the six years of the conflict, both sides issued extravagant and gruesome claims of the casualties they asserted they had inflicted.

"The battlefield was covered with Iraqi corpses," said Tehran radio, which broadcast martial music after announcing the offensive at 10 A.M. Friday.

The Iranians retreated, "leaving behind mountains of bodies," the Iraqi news agency said.



David Calvert

Pretoria Shuts Out New York Times Reporters

New York Times Service
JOHANNESBURG — The South African authorities have refused to reconsider an order to the Johannesburg bureau chief of The New York Times to leave the country before Sunday. They have also refused a visa to his designated successor.

The actions, effectively suspending The Times's firsthand coverage of South Africa, were designed as a reprisal for what the authorities saw as a hostile attitude by the newspaper toward the government, according to government sources and others with access to official thinking.

[In another order aimed at tightening already strict curbs on the press, the government barred the local media from printing reports or advertisements that improved the image or explained the policies of such banned organizations as the African National Congress.

A U.S. study found the ANC is obligated to Moscow and to local Communists. Page 3.

Reuters reported from Johannesburg.

[The police order came less than 24 hours after some newspapers printed full-page advertisements calling on Pretoria to lift its ban on the guerrilla movement.

[In recent weeks South Africa has severely restricted the reporting of unrest or dissent. Correspondents are subject to fines or imprisonment for failing to submit to censors articles that contravene

In Court Test in New Jersey, a Surrogate Mother Battles for Possession of 'Her' Child

By Margot Hornblower
Washington Post Service
HACKENSACK, New Jersey — Mary Beth Whitehead signed an agreement to have a baby for a couple in exchange for \$10,000. But in the delivery room, moments after her daughter was born, she changed her mind.

"At the end, something took over," the New Jersey housewife testified Thursday. "I guess it was just being a mother. It overpowered me. I just cried and cried. I didn't want the \$10,000. I just wanted my child."

Her voice cracking, her eyes streaming tears, Mrs. Whitehead, 29, was on the witness stand in a case that for the first time in a U.S. court tests the validity of a surrogate mother contract.

Upward of 600 children have been born in the last decade through agreements in which a woman is paid to be artificially inseminated with the sperm of a man whose wife is infertile. The woman then gives up the child to the couple.

Although three other cases of mothers who changed their minds have been cited by clinics that sponsor such arrangements, all have been settled out of court, with the father giving up the baby.

However, in the case of "Baby M," as the 9-month-old girl born to Mrs. Whitehead is known, the father, William Stern, a biochemist from the suburban town of Tenafly, and his wife, Elizabeth, a pediatrician, seized the child

in July after a court awarded them temporary custody.

They are now asking Judge Harvey R. Sorkow of New Jersey Superior Court to enforce the surrogate contract that was arranged by the Infertility Center of New York, a Manhattan

'I just cried and cried. I didn't want the \$10,000. I just wanted my child.'

— Mary Beth Whitehead, the surrogate mother

clinic, and to deny visitation rights to Mrs. Whitehead.

"Everybody is talking about mothers' rights and nobody seems to be concerned about fathers' rights," Mr. Stern said Thursday outside the courtroom. "Fathers have dreams, too."

At the trial, which began Monday, the Sterns wept on the witness stand. Richard Whitehead, Mary Beth's husband, testified that he too had changed his mind in the delivery room, as he watched his wife "crying hysterically."

The case has attracted national attention. About 40 book and movie offers have been made to both couples. Attorneys say they expect the case to reach the New Jersey Supreme Court and set a precedent.

Legislation to govern the practice, which critics oppose as a form of "baby selling," has been debated in more than a dozen states and the District of Columbia, but no laws have been passed.

Mrs. Whitehead, a high-school dropout who was married at 16 and has two older children, answered a newspaper advertisement placed by the infertility center in 1984.

In almost four hours of testimony Thursday, she said that she had felt the pain of her sister, Beverly, who could not have children. "I thought that God would" said Beverly, she said, if she helped another couple.

Mrs. Stern, 41, testified that she had delayed pregnancy until her medical residency was finished in 1981, but then discovered she had a mild form of multiple sclerosis. She said she feared she might become paralyzed if she were to become pregnant.

Mrs. Whitehead's attorney, Harold Cassidy, called this "an irrational fear." He said he would call on medical experts to refute the contention that Mrs. Stern could not bear children. The contract asserts that she is "infertile" and could not be enforced if she is fertile, Mr. Cassidy maintained.

Mr. Stern, 40, testified that he was the only child of refugees from Nazi Germany, both deceased. He said he wanted a child biologically.

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Early, Cold Winter Hits Europe



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In Court Test in New Jersey, a Surrogate Mother Battles for Possession of 'Her' Child

Herald INTERNATIONAL Tribune

Published With The New York Times and The Washington Post

Ideas for a Latin Opening

There is a small new flare of diplomacy in Central America. Some of the Latin democracies, expecting a military surge in Nicaragua as the contras received fresh U.S. aid, have sought to head off the surge by reviving the Contadora peace talks...

lined by internal divisions, its secretary-general, Joao Clemente Baes Soares, has joined an effort to revive Contadora. The United States has formally complained about the Brazilian diplomat's role...

Right Man for the CIA

The sad truth about Washington's chief collector of secrets is no longer a secret. There seems to be no chance that William Casey, the director of central intelligence, can recover sufficiently from a cancer operation to resume his duties...

These are the questions that have been asked about Mr. Casey. He deserves high marks for reinvigorating the agency. But suspicions of partisanship followed him everywhere...

Learning to Produce

During the past two centuries, in all of the world's rich countries, labor has been moving out of agriculture into industry. Food production has not fallen because farmers' productivity has steadily risen...

time—say, the dozen years beginning in 1973, when the long postwar boom ended. During those years the fastest gains in manufacturing productivity were made not in Japan but in Belgium...

Other Comment

Spill a Little Sweetness

Trans-Atlantic economic conflict is recurring with increasing ferocity. The latest dispute arises from threatened U.S. exports to Spain worth £340 million (\$500 million) a year...

strike against EC consumables. If not, the EC is threatening its own retaliation, which could touch off an orgy of commercial violence between the allies...

U.S. Diplomacy Can Be Revived

By William Pfaff

PARIS—"It is important to send the message that we're not dead in the water," a senior State Department official said recently, as trips to the Middle East and Eastern Europe were set up for the U.S. officials responsible for those areas...

alism, will find a way to do the same. The United States and Pakistan have every interest in helping it do so. The Reykjavik summit meeting ended with President Reagan's instinctive utopianism defeated by a hair's-breadth...

The administration must bury its past mistakes and try to do something serious now.

and accomplish something in the two years that remain to it. Significant changes are taking place in the Soviet Union. There is a possibility, at least, of real improvement in East-West relations...



The Oil Glut Brings On Amnesia

By Charles K. Ebinger

Drawing by Schickman

WASHINGTON—In 1986, the United States and much of the rest of the industrialized world forgot the energy lessons of the 1970s. With the prices of gasoline and home-heating fuel at the lowest levels in 13 years, and with an administration espousing the wisdom of the market...

How short Americans' memories are of the gasoline lines of 1973 and 1979, the devastation of once-great basic industries, and the danger of depending on the politically volatile Middle East for much of their oil...

Both lessons were undone in 1986. Oil imports are up nearly one million barrels per day, to levels equivalent to those of 1973. Natural gas reserves will fall precipitously this year...

Almost every one of the budget experts I interviewed had large or small reservations about other parts of the Reagan blueprint. But they were saying, "Don't throw out the baby with the bathwater."

Washington tends to dismiss any ideas that come from a politician or president who is in trouble. Mr. Reagan has had serious reverses. But not all his ideas are dumb.

Second, the accident at the Chernobyl nuclear reactors. Although Chernobyl's technology has virtually nothing in common with those of most American nuclear plants...

Third, the Reagan administration's deep cutback in funds for developing "renewable" technologies. Funds for solar power and other new technologies, as well as tax credits for their use, have been cut to the bone...

In the late 1970s, the United States was looking beyond the age of abundant oil. It was significantly increasing the amount of electricity generated by coal and nuclear energy, developing new technologies and promoting conservation...

Today, the nation is curtailing development of new energy sources, adding still more obstacles to the additional use of nuclear power and rapidly increasing its dependence on oil and the Middle East.

Future historians may have a difficult time trying to explain why America reversed course. The events of 1986 may receive much of the blame, but the real fault lies with those who do not remember the lessons of 1973 and 1979 and are unwilling to plan for the global crisis that lies ahead.

The writer is director of the energy and strategic resources program at the Center for Strategic and International Studies at Georgetown University. He contributed this to The New York Times.

Don't Throw Out the Budget With the Bathwater

By David S. Broder

WASHINGTON—When "everybody" in Washington is saying the same thing, it pays to be skeptical. This trendy capital's political mood swings are so exaggerated that it often makes sense to question the conventional wisdom...

Congress have jumped in to say, "Here's at least one issue where Reagan is right."

As might be expected, Stuart Butler of the conservative Heritage Foundation thinks Mr. Reagan's "privatization" initiatives are "a very important idea."

More surprisingly, William Graham, head of the Urban Institute, a liberal think tank, said that some of his colleagues believed that "the effort to sell a portfolio of government loans, part of the privatization initiative, 'has the important merit of revealing the market price for what is now a hidden subsidy.'"

buyer. There's no reason why the federal government should be running a passenger system."

Robert Reichauer, another economist at the Brookings Institution, applauds as "long overdue" the effort to find "major savings in the farm price-support programs."

And in the face of loud squawks from local officials, Mr. Reichauer also said that Mr. Reagan is right in "phasing out the Economic Development Administration, the Appalachian Regional Development program and Urban Development Action Grants."

And Ms. Rivlin, who is no right-winger, comments that selling off Amtrak's railroad operations in the Northeast corridor "is not a terrible idea in my view, if we can find a

stein, whose Center on Budget and Policy Priorities is the source of many liberal critiques of Mr. Reagan's fiscal policy, conceded that whatever its overall deficiencies, the administration budget has some "things that are good and useful."

Washington tends to dismiss any ideas that come from a politician or president who is in trouble. Mr. Reagan has had serious reverses. But not all his ideas are dumb.



The surrogate mother sent it over for your approval. The surrogate mother says it is now your responsibility anyway, and he does not want it back. Sign here.

The Pardon as an Index of Tyranny

By Charles Krauthammer

WASHINGTON—In 1982, Albania held an election that Evner Hoxha, the Communist Party chief, won by 1,627,959 votes to 1. A decisive victory. It suggested to me at the time a key to what political philosophers had long been seeking: a reliable tyranny index.

The Tirasia Index, named after Albania's capital, holds that repressiveness correlates with electoral success. The higher the score rolled up by the ruling party in elections, the more tyrannous the regime. At one end of the spectrum are places like Albania, the Soviet Union and Syria, where 99 percent of the vote is the norm.

At the other end are freewheeling semi-anarchies, like Italy, where it is unsafe to drive and where the ruling party never gets half the vote.

In between lie orderly democracies like the United States (winning margins of 60 percent, tops) and moderate autocracies like Mexico that will breach 70 but not much more for fear of embarrassment to all concerned.

But in terms of politics or justice, the pardon is a fraud. "In all supremacy of power," said a 17th-century philosopher, "there is inherent a proclivity to pardon." The reverse is equally true: In all prerogative to pardon, there is inherent a proclivity to power. The logic of the pardon is that justice is a gift to be dispensed by power. It makes of freedom a legal indulgence, a grant, an act of serendipity. What is intended as a show of humanity is often a mere show of cynicism, a display of arbitrary power (why clemency for A, and not for B?) for political ends.

Consider the manner in which the Soviets announced Mr. Sakharov's release. It betrayed the gesture's true purpose, which was to impress not Russians, but Westerners. The announcement on the Sakharovs came first from the Soviet Foreign Ministry. It is as if George Shultz, the U.S. secretary of state, were in announce clemency for a convicted murderer.

The free exercise of speech subsequently permitted to Mr. Sakharov has been similarly one-sided. He has appeared all over American television; he has yet to play Moscow.

In democracies, the pardon should be used sparingly, not for dispensing clemency but for righting obvious miscarriages of justice that are otherwise irreparable. Only in the rarest of occasions should it supplant the workings of ordinary justice. Free countries have another mechanism for dealing with that. It is called law.

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LETTER

Always a Sucker

Regarding the opinion column "UNICEF: Where's the Phoiness?" (Dec. 23) by Stephen S. Rosenfeld:

I do not understand the author's comment about "the exploitable (but previously ill-exploited) fact that people are suckers for kids." It was well-exploited in the 1940s. When UNICEF's chief shipping officer in Paris was seeking a low price for transporting a large amount of cod liver oil, he would start talking about the kids. Always good for another 10-percent reduction, he would say.

A.L. MALAKOFF, Lancy, Switzerland.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Germany to Vote

BERLIN—The impression is taking root that the Government's "English peril" maneuver is making greater headway than was anticipated. Experts who a fortnight ago were predicting sweeping Socialist gains (in the Reichstag) have now toned down their estimates and are talking of "Red" victories in only 78 instead of 100 or 120 constituencies. The effect of the Government's decision is indicated in the Bismarckian "Hamburger Nachrichten," which welcomes new armaments because: "The clash with England is only a question of time. We must therefore prepare accordingly." It is announced that 1,428 candidates have been nominated in the Empire's 377 constituencies. According to the "Germania," the second ballots in the general election will take place on Jan. 22 following the first ballots on Jan. 12.

1937: 'Now or Never'

MADRID—Hammering away at the western suburbs to the slogan "Madrid must be ours now or never," the Nationalist troops broke down the formidable resistance of the Reds in the Casa del Campo and the University City [on Jan. 9] and came within gunshot distance of the first houses of the capital. It was the sixth day of the furious offensive launched against Madrid, into which General Francisco Franco has thrown the pick of his men, heavy guns, tanks and airplanes. After some of the most desperate fighting in the whole civil war, the Nationalists continued their advance from Las Rozas, capturing the inner suburbs of Aravaca, and storming the barricades on the western and northern outskirts of Madrid. Meanwhile, the city was subjected to almost continuous bombardment from the air.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen LEE W. HUEBNER, Publisher PHILIP FOISIE, Executive Editor • WALTER WELLS, Editor • SAMUEL AUST, KATHERINE KNORR, and CHARLES MITCHELMORE, Deputy Editors • ROBERT J. DONARUE, Editor of the Editorial Pages RENE BONDY, Deputy Publisher • ALAIN LECOUR and RICHARD H. MORGAN, Associate Publishers • FRANÇOIS DESMAISONS, Circulation Director • ROSE D. KRANEFUELL, Advertising Sales Director International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92300 Neuilly-sur-Seine, France, Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Production, 630698. Directeur de la publication: Walter N. Dreyer. Editor for Asia: Michael Richardson, 5 Conventry Rd., Singapore 211, Tel: 472-7168. Tel: RS29038 Managing Dir. Asia: Malcolm Glenn, 91 Gloucester Road, Hong Kong 910, Tel: 4170. Managing Dir. U.K.: Robin Macdonald, 45 Long Acre, London WC1E, Tel: 836-4802. Telex: 262029. Gen. Mgr. W. Germany: W. Lautbach, Friedrichstr. 15, 10000 Frankfurt/M. Tel: (069) 726753. Tel: 416721. Post. Adm. Office: 550 Third Ave., New York, N.Y. 10022. Tel: (212) 753-8890. Telex: 47175. S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337 © 1987, International Herald Tribune. All rights reserved. ISSN: 0244-8022

BUSINESS ROUNDUP

Lufthansa Split on Buying Airbus Jet

By Warren Getler
International Herald Tribune
LONDON — Lufthansa AG's board will discuss the possible purchase of Airbus A-340 jumbo jets at a meeting Monday, but board members are divided on whether that plane is the right choice, a Lufthansa source said Friday.

They were regarded as important customers in the attempt to launch the A-340, informed McDonnell Douglas of its intent to buy six MD-11s. Swissair's decision played a key role in McDonnell's recommendation last month to launch that plane.

Although both proposals will receive serious attention at Lufthansa's management board meeting Monday in Cologne and at its supervisory board meeting Wednesday, the source said that a final decision was not likely.

Honda to Invest \$450 Million on U.S. Expansion

COLUMBUS, Ohio — Honda Motor Co. is to invest \$450 million to expand its U.S. operations, bringing its total U.S. investment to \$1.2 billion.

MARKETS: From Madrid to Tokyo, 1986 Was Another Splendid Year

(Continued from first finance page)
percent last year in dollar terms, or 43 percent in yen terms, despite some economic problems.

index peaked on April 18 at 3,129, and drifted for the remainder of the year. The index would have finished the year even lower had it not been for the generally strong performance of Canadian natural-resource companies.

Paris
The Bourse leapt to life last year, but most of its gains were made in the first few months of 1986 in anticipation of the elections for the National Assembly, which were won by the pro-business right.

Grand Met to Sell Scottish Brewery To Allied-Lyons

LONDON — Allied-Lyons PLC said Friday that it had agreed to acquire the Scottish brewer Dryburgh & Co. from a Grand Metropolitan PLC subsidiary, Watney Mann & Truman Breweries, for \$48.5 million (\$71.5 million).

CSO Says Rough Diamond Sales Rose 40%

LONDON — Sales of rough diamonds by De Beers Central Selling Organization rose 40 percent in 1986, according to company figures that indicate the industry is recovering from its worst recession since the 1930s.

prices up, the speculators moved in. By 1981, while interest rates were rising, inflation was falling and the dollar was reaching record highs, the speculators sold their stocks.

stockpile has been falling, aided by increased demand caused in part by the dollar's fall against other currencies. This made diamonds priced in dollars more affordable, said a spokesman.

U.S. Futures

Table with columns for various futures contracts including Coffee, Grains, and Metals, showing high, low, and close prices.

COMPANY NOTES

BP Nutrition Ltd.'s \$545 million offer for Purina Mills Inc., a U.S. manufacturer of cattle feeds, will not go before the Monopolies and Mergers Commission, according to the British Department of Trade and Industry.

about 95 percent of Veve Ciquet SA, makers of champagne and perfume. Vaitton owned 19 percent before a recent tender.

Unstable political conditions in South Africa and threat of Western economic sanctions have done little to dent the diamond industry's new confidence.

SCENE: 'Black Hole'?

(Continued from first finance page)
local currency, but then the bank can use the dollars only in the United States.

Mr. Bernstein is equally unimpressed by that chain of logic. The trade deficit, he pointed out, has mushroomed even though domestic productive resources are nowhere near maximum.

Mr. Bernstein concluded that large U.S. trade deficits seem likely for the foreseeable future, no matter what the size of the budget deficit. And that, he warns, is likely to aggravate future budget deficits.

Frankfurt

Last year was a topsy-turvy one for the Frankfurt stock exchange, as the powerful West German economy shifted gears. Previously driven by exports, the economy came to rely much more on domestic consumption.

Tokyo

The bounding gains of stock prices in Tokyo last year took many analysts by surprise since 1985 too cooled down. But the buying continued, sending the Nikkei-Dow Jones average up 43 percent, to 18,701.3, by year-end.

Paris Commodities

Table of commodity prices for Paris, including various grades of wheat, sugar, and coffee.

London Commodities

Table of commodity prices for London, including various grades of wheat, sugar, and coffee.

Asian Commodities

Table of commodity prices for Asian markets, including various grades of wheat, sugar, and coffee.

Spot Commodities

Table of spot commodity prices, including various grades of wheat, sugar, and coffee.

Dividends

Table of dividend payments for various companies, including names and amounts.

DM Futures Options

Table of DM futures options prices, including various contracts and their values.

London Metals

Table of London metal prices, including various grades of copper, zinc, and lead.

To Our Readers

S & P 100 index option prices were not available in this edition because of transmission delays.

To Our Readers

Currency option prices were not available in this edition because of technical problems.

Renault May Reconsider American Motors Stake

PARIS — Renault, France's state-owned auto group, is not excluding the possibility of reducing or liquidating its stake in American Motors Corp. if that company appears headed for further losses, industry sources said Friday.

Livestock

Table of livestock prices, including various grades of cattle, hogs, and sheep.

Metals

Table of metal prices, including various grades of copper, zinc, and lead.

U.S. Treasuries

Table of U.S. Treasury bond yields and prices for various maturities.

Commodity Indexes

Table of commodity index values, including Moody's, D.J. Futures, and Com. Research.

Swiss Inflation Was 0.8%

BERN — Consumer prices in Switzerland rose a monthly average of 0.8 percent in 1986, the lowest annual inflation rate in 27 years, the government reported Friday.

Turner May Get Capital From Cable Operators

ATLANTA — Turner Broadcasting System Inc. is having talks with a group of cable television operators on a possible infusion of equity capital into Turner, the company said Friday.

Financial

Table of financial market data, including various interest rates and exchange rates.

Stock Indexes

Table of stock index values, including NYSE, Dow Jones, and other major indices.

DEBT COORDS. AU BON MARCHÉ. MAISON ARISTIDE BOCCAULT. THE LARGEST AND BEST ORGANIZED NOVELTY WAREHOUSE IN THE WORLD.

WINTER OPENING. WINTER OPENING. WINTER OPENING. WINTER OPENING. OCTOBER 3 AND FOLLOWING DAYS.

GREAT SALE of all the specialties of the season. Silk, Plush, Velvet, plain and fancy Woolen Goods. News Patterns in Winter Toggles, Mantles, Costumes, Draped Skirts, Jerseys, Coats, Dressing Gowns, Hats, Boas and Shawls.

THE INTERNATIONAL FUR STORE. 143 BOBNET STREET, LONDON. THE LARGEST STOCK OF FURS OF ANY HOUSE IN LONDON.

THE INTERNATIONAL FUR STORE. 143 BOBNET STREET, LONDON. THE LARGEST STOCK OF FURS OF ANY HOUSE IN LONDON.

REAL ESTATE. HOUSES TO LET. FURNISHED APARTMENTS AND PRIVATE HOUSES. AVEUE DE LA GARDIOLLE—Handsome apartment with 2, 3, 4, 5 and 6 bedrooms.

NOTICE IN AN ACTION OF MULTIPLE POINDON AND SEIZURE. The Court of Sessions, Lord Kinross, Ordinary, Mr. Scrimgeour, Clerk, at the instance of JOHN MACKENZIE.

W. H. NICHOLS. 10, Lincoln's Inn Fields, London, England. NOTICE IN AN ACTION OF MULTIPLE POINDON AND SEIZURE.

LEGAL NOTICES. EDWARD-WARRANTED WEED. I have the honor to inform you that I have been appointed administrator of the estate of Edward Warranted Weed.

LEGAL NOTICES. GEORGE WALKER. Registrar of the said Spilley County Court. ALEXANDER ROSS—NOTICE IS HEREBY GIVEN that a petition has been presented under and in terms of the "Presumption of Life Limitation (Scotland) Act, 1861."

LEGAL NOTICES. JOHN MITCHELL—INTIMATION IS HEREBY GIVEN, that Andrew Mitchell, residing in Dundee, on the 14th of October, 1887, has presented a petition to the Court of Sessions, Edinburgh, for a decree of life limitation.

LEGAL NOTICES. THOMSON, DICKSON & SHAW, W. S. Agents of Postoffice. I have the honor to inform you that I have been appointed administrator of the estate of Thomson, Dickson & Shaw.

LEGAL NOTICES. DISSENT TO A JUDGMENT OF THE HIGH COURT OF JUSTICE. I have the honor to inform you that I have been appointed administrator of the estate of Thomson, Dickson & Shaw.

LEGAL NOTICES. REAL ESTATE. HOUSES TO LET. FURNISHED APARTMENTS AND PRIVATE HOUSES. AVEUE DE LA GARDIOLLE—Handsome apartment with 2, 3, 4, 5 and 6 bedrooms.

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HOTELS. GRAND HOTEL PARIS. Recently remodelled. The best cuisine and large addition to the service.

HOTELS. HOTEL DE LA PAIX. Very first rate house. Pleasant situation. GRAND HOTEL DE LA PAIX. Recently remodelled. The best cuisine and large addition to the service.

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SPECIAL NOTICES. NEW YORK LIFE INSURANCE CO. Established in 1843. 266 and 268 BROADWAY, NEW YORK.

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Does a Black Threaten Us? W. H. NICHOLS. 10, Lincoln's Inn Fields, London, England.

CURRENCY MARKETS

EMS: Finance Officials to Discuss Currency Realignment

(Continued from Page 1)

West Germany, forcing up an already strong mark.

At the same time, strikes by transport and public utility workers in France have increased pressure on the franc.

Mr. Stoltenberg has repeatedly rejected demands from French government officials to revalue the mark.

French officials from Prime Minister Jacques Chirac on down have said France would not devalue.

Both sides claim that economic fundamentals do not justify any change in their currency's value.

Meanwhile, foreign-exchange trading was hectic again Friday as speculators, betting heavily on an imminent realignment of the EMS, snapped up marks, putting the French franc, the dollar, the Danish krone and the Irish pound under relentless selling pressure.

In Paris, the franc fell in late afternoon trading to below its permitted floor of 3.3003 to the mark.

The French, Japanese and West German central banks have made

London Dollar Rates

Table with columns for Currency, Bid, and Offer rates.

Intervention was heavy again Friday. At the Frankfurt foreign exchange fixing, the Bundesbank bought 1.03 billion francs, well up from its purchase of 179 million francs at Thursday's official setting.

The Bundesbank also bought 118 million Danish kroner when the krone was fixed unchanged at its EMS floor of 26.40 DM per 100. The West German central bank did not buy any kroner at Thursday's fixing.

Dealers in Frankfurt said the Bundesbank also intervened in the open market to support the U.S. dollar, buying an estimated \$40 to \$50 million in the Frankfurt foreign-exchange market Friday afternoon.

In New York, the dollar closed at 1.918 DM, up from 1.9145 Thursday, at 1.6065 Swiss francs, up from 1.6035; at 6.398 French francs, up from 6.377; and at 2.166 guilders, up from 2.161. The pound closed at \$1.4775, down from 1.478.

In Europe, the dollar ended generally lower.

Japan Bank

Intervenes on Large Scale

Reasons

TOKYO—Japan's central bank intervened massively and openly in foreign-exchange markets Friday, making what may have been its biggest single-day purchase of dollars in an attempt to prop up the U.S. currency against the yen, dealers said.

They said the Bank of Japan went on an unusually public buying spree even though the United States appeared to be looking for its currency to weaken.

The bank bought an estimated \$2.5 billion Friday morning, the largest amount dealers believe the bank has purchased in one day.

Finance Minister Kiichi Miyazawa said the bank would intervene in exchange markets regardless of cost.

In a sign of its determination, the central bank abandoned its usual practice of buying dollars secretly from banks.

It bought them through brokers so that currency dealers knew of its presence in the market, dealers said.

The bank's activity pushed the dollar to 158.20 yen at midday in Tokyo, up from 157.55 in New York at Thursday's close. But it closed at 157.60, down from 158.20 at Thursday's close in Tokyo.

One dealer said the central bank seemed to be the only dollar buyer in the market.

Some dealers sold dollars as the central bank bought, taking profits while the dollar was stronger.

The interest in selling the dollar was reinforced by remarks Thursday in Washington by the U.S. Treasury secretary, James A. Baker 3d, who said that the dollar's decline had been reasonable and orderly and that he did not foresee any risk of a resurgence in inflation because of its decline.

The market interpreted the comments to mean that the U.S. Federal Reserve would not intervene in competition with the Bank of Japan and that the United States may be looking for a weaker dollar.

BUSINESS PROFILE / Kevin J. Parry, Businessman and Backer of Fast Yachts

Racing to Build an Empire, Win America's Cup

By Nicholas D. Kristof

PERTH, Australia — On the knuckles of Kevin J. Parry's messy fists you can still see the faded scars of the street battles he fought as a boy growing up in a modest neighborhood here.

Parry remains a fighter, but today the venue has shifted to the corporate boardroom and to a stretch of ocean off Fremantle, near Perth, where the world's best sailboats are competing for the America's Cup. Two yachts financed by his conglomerate, Parry Corp., are contenders to carry off the trophy when the races end in about five weeks.

While Mr. Parry's Kookaburra III has won a place in the defender's final, and his Kookaburra II still has a chance against Alan Bond's Australia IV, Parry Corp. is racing to expand its empire in Asia and the United States.

A high school dropout, who at age 33 is one of Australia's best-known businessmen, Mr. Parry is shopping for media and other interests in the United States and elsewhere. He is cagey about the shopping list, but he said he recently made an unsuccessful bid of more than \$500 million for an American company, which he would not identify.

A short, slightly pudgy man, whose hair is thinning and graying, Mr. Parry decided to compete in the America's Cup races after Mr. Bond, another Australian businessman, triumphed in 1983 and brought the silver Cup to Perth.

"Alan said he didn't think he was going to get any competition worth much, and as a result would be underprepared for the defense of the Cup," Mr. Parry recalled. An in-house study estimated that an attempt to capture the Cup would cost \$5 million over three years, so Mr. Parry gave the project the nod. He has kept on nodding as his boats have cost nearly \$20 million.

A staff of 100 is operating the Kookaburra boats. Much of the money is going into Mr. Parry's passion, technology, such as computer modeling to study alternative keels and computer analyses of the best sailing tactics under different conditions.

For all the money being spent, Mr. Parry insists that the expendi-



Kevin J. Parry at home. He financed Kookaburra III, left, and Kookaburra II, camouflaged by waves top left, in the America's Cup.

ture has been good for shareholders in his corporation, and may even result in a profit. He suggested several sources of income. One is the sale of information and experience and even the Kookaburra boats themselves to syndicates planning to compete in the next round of America's Cup races. Negotiations are believed to be under way with several Japanese companies.

Another source of funds would be the commercial development of new technologies discovered in the research for a faster sailboat. About a dozen such commercial technologies have sprouted so far in developing the Kookaburra boats, Mr. Parry said.

Analysts and other Australian business executives say that Mr. Parry is typical of Australia's top businessmen — people like Mr. Bond and Rupert Murdoch or Robert Holmes à Court — in his plain-speaking style and yearning to transcend Australia's borders.

"He's like Bond in many ways, in that he takes big bites and then digests them and takes a profit at the end of the day," said Gary R. Pearce, also a prominent businessman in Perth. "In all his dealings, he's a big thinker."

The Parry family's luxurious marble and hardwood home in Perth's fashionable Dalkeith suburb little resembles the modest homes in the community in which he grew up, West Leederville. He then knew slightly, but never fought with, a boy named Bob Hawks, four years older, who today is Australia's prime minister.

Mr. Parry's father made furniture in a backyard workshop, and Kevin took over the business 25 years ago after his older brother had operated it with little success. Kevin expanded into retailing, with Parry's Department Store, and then into natural resources, real estate, media and technology.

Parry Corp. has grown quickly, with assets surging five-fold over the last five years to 290.6 million Australian dollars, or the equivalent of \$195 million at current rates. But the growth has come at the expense of profitability: eight losses were reported in 1984 and 1985, although the group's net income rose to \$6.9 million in the 1986 fiscal year, which ended June 30.

Mr. Parry says now he will place more attention on profitability, but he also appears to have bold plans

for overall growth. He predicts that assets will grow more than 15-fold over the next five or 10 years.

Whatever the pace, some of the growth is likely to come from the United States. Mr. Parry is known to be shopping for a television broadcasting business in the United States to complement his television and radio interests in Australia and Papua New Guinea.

An independent film production and distribution company that he purchased a year ago, Seven Keys group, is now moving to the United States.

Mr. Parry, who quit school at age 15 and later was a star batter in Australian big league baseball, seems somewhat uneasy discussing financial reports and accounting details; analysts say that one of his merits as a manager has been his willingness to delegate authority.

In his sailing ventures, Mr. Parry has delegated decision making to the skippers of the Kookaburras, and he has rarely been aboard the boats. But he follows the yacht's progress, and the America's Cup is one of the few subjects on which he freely makes predictions.

"I would say we'll defend the Cup for Australia, and defend it successfully," he said.

THE EUROMARKETS

Perpetual FRNs End Firmer in Quiet Trade

By Christopher Pizzeo

LONDON — Most sectors of the Eurobond market ended little trading Friday after relatively quiet trading, but the perpetual floating-rate note sector was firmer after days of wide fluctuation.

Prices of some FRN issues had fluctuated by more than 10 points this week, dealers said.

The dollar-straight sector ended unchanged to 1/4 point easier.

Dentech Bank Capital Markets lead-managed a \$300 million bond for the World Bank that proved a great success with investors. The five-year deal pays 7 percent and was priced at 101.

The issue was priced for a yield of about 45 basis points above equivalent U.S. Treasury securities. At the close, it was quoted at a discount of 1/4 percent, a yield of around 35 points over Treasuries.

A trader at a bank that was not involved in the deal said, "The market is looking for quality in the five-to-seven-year area. The yield isn't that generous, but the name makes up for it."

The \$300 million bond launched Thursday for Denmark slipped to about 2 1/2 percent Friday compared with total fees of 1 1/2 percent. Dealers said the issue was not helped by the launch of the World Bank bond.

Denmark is rated AA-plus by Standard & Poor's Corp., while the World Bank has a triple-A rating. In other new issue activity, Algemeen Bank Nederland NV issued a \$75 million bond paying 10 1/2 percent over five years and priced at 101 1/2. The issue, lead-managed by Baring Brothers & Co., finished at less than 2/8 percent bid, outside the 1 1/2 percent total fees.

In the European currency unit market, Dai-ichi Kangyo Nederland NV issued a 100 million-ECU bond paying 7 1/2 percent over 10

years and priced at 101 1/2. The issue ended comfortably within the 2-percent fees at a discount of 1 1/2 percent.

In the secondary markets, perpetual issues ended with gains of 1/4 to 2 points on the day. But dealers said that it was difficult to determine precise price levels because only about 12 houses were making markets in the issues, and some of these differed widely.

Some of these houses are quoting 1/4-point spreads while others are trading with 1/2-point spreads. One trader at a house that currently is making firm prices in perpetual deals said, "It's been very busy today, but strangely the market seems to have settled down a little."

Dated FRNs were unchanged to a fraction firmer. But most dealers disagreed with the view that retail money from the perpetual area was being directly reinvested in the dated market.

Friday's OTC Prices. NASDAQ prices as of 4 p.m. New York time. Via The Associated Press.

Table A: OTC stock prices for companies like ADC, AIG, AIZ, etc.

Table B: OTC stock prices for companies like AIG, AIZ, ALC, etc.

Table C: OTC stock prices for companies like ALC, ALD, ALG, etc.

Table D: OTC stock prices for companies like ALG, ALH, ALI, etc.

Table E: OTC stock prices for companies like ALI, ALJ, ALK, etc.

Table F: OTC stock prices for companies like ALK, ALM, ALN, etc.

Arabic text at the bottom of the page: مكتبة الأمل

Friday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low	Stock	Div. Yld. PE	12 Month High Low	Stock	Div. Yld. PE
11 1/2 - 15 1/2	Amtrak	- - -	17 1/2 - 21 1/2	Verizon	4.4 13.7
10 1/2 - 14 1/2	Amstar	4.7 13.3	17 1/2 - 21 1/2	WorldCom	2.9 14.0
11 1/2 - 15 1/2	Amgen	2.8 16.9	17 1/2 - 21 1/2	WorldTel	2.8 14.0
11 1/2 - 15 1/2	Amgen	2.8 16.9	17 1/2 - 21 1/2	WorldTel	2.8 14.0
11 1/2 - 15 1/2	Amgen	2.8 16.9	17 1/2 - 21 1/2	WorldTel	2.8 14.0

NYSE High-Lows

Symbol	High	Low
AAFC	5 1/4	5 1/4
AAFC	5 1/4	5 1/4
AAFC	5 1/4	5 1/4

Australia Condemns U.S. Barley Subsidies

United Press International
CANBERRA — The Australian government, condemning Washington's decision to subsidize further barley exports to Saudi Arabia, said Friday that the move would drive down the price of Australian barley.

John Dawkins, the trade minister, and John Keating, the primary industries minister, said in a statement that the move was contrary to Australia's understanding that no further initiatives would be announced during the present United States marketing year, which ends in April.

The U.S. Department of Agriculture has decided to subsidize 1.25 million tons of barley exports to Saudi Arabia, in addition to the 1.25 million tons it had already undertaken to subsidize for 1986-87.

Company Results

Company	1st Quarter	2nd Quarter
Amgen	197	197
Amgen	197	197
Amgen	197	197

SPORTS

24 Years After That 'Coldest Day' Loss, Giants Aim to Sneak Up on Title

By Dave Anderson
NEW YORK — It's as if that icy wind in 1962 blew the New York Giants season-ticket subscribers away from a championship game...

"I think my ears are frozen," Starr said. That wind from left field had gusted up to 30 miles per hour (80 kilometers per hour).

center field, Jim Taylor churned for 85 yards and the Packers' only touchdown. "I don't ever remember being hit so hard," Taylor said.

Over more than half a century, the Giants have had a brutal 3-11 record in championship games — 3-4 at Yankee Stadium and earlier at the Polo Grounds, 0-7 on the road.

the fans' plea to go for the first down. Don Chandler punted to the 14, but Johnny Unitas completed four passes, three to Raymond Berry...

Flaherty, an end for the Giants, suggested to coach Steve Owen that the players wear sneakers, as his Gonzaga team had a decade earlier...

2 Championship Seasons Are Down to 4 Quarters

By Barry Wilner
CLEVELAND — The Cleveland Browns played like champions during the last six weeks of the National Football League season.

Yet Elway's ability to run with the ball presents the Cleveland defense with a problem the Denver defense can ignore.



Phil Simms, the Giants' quarterback, made sure he was well protected against the chill during practice Thursday.

10 Players Test Baseball Free-Agency Cup Jury Adjourns, Leaving Australia IV's Fate Undecided

United Press International
NEW YORK — Two power-hitting catchers, a former Cy Young Award winner and a batting champion...

DRIVING INTO CONTENTION — Greg Norman of Australia, teeing off on the 18th hole of the Tournament of Champions...

U.K. Horse Disqualified — For Eating Candy Bar
By Andrew Warshaw
LONDON — A sweet-toothed thoroughbred that munched on a 30-cent chocolate bar the day before...

By Ruth Youngblood
FREMANTLE, Australia — The international jury pondering the survival of Australia IV adjourned Friday night...

En route to this game that will decide who goes to the Super Bowl in Pasadena, California, the Browns won their last five games of the regular season...

Jordan Shuns 'Machine' Tag But Continues His Scoring

CHICAGO — "At long last I've lost the tag of being known as the Bulls' one-man scoring machine," Michael Jordan said Thursday night...

handed out five assists, grabbed four rebounds, blocked two shots and had three steals. He made 20 of 34 field goal attempts...

Chief Fire Mackovic
John Mackovic, who coached the Kansas City Chiefs for their first NFL playoff game in 15 years, was fired Thursday after his fourth season with the team...

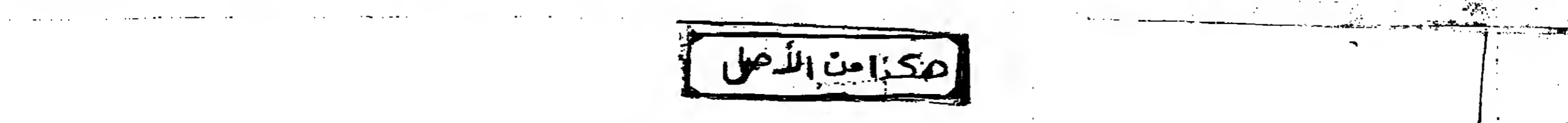
SCOREBOARD

Table with columns for Hockey, NHL Standings, and Baseball. Includes team names, wins, losses, and scores.

Table with columns for Basketball, Selected College Scores, and NBA Standings. Includes team names and scores.

Transition

Table with columns for BASEBALL, COLLEGE, and other sports-related information.



Friday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div. Yld. %	PE	52 Week High	Low	Change
14 1/2	14 1/8	ACI Ind	1.30	8.5	14 1/2	14 1/8	+ 1/8
14 1/2	14 1/8	ACI Lab	1.30	8.5	14 1/2	14 1/8	+ 1/8
14 1/2	14 1/8	ACI S&S	1.30	8.5	14 1/2	14 1/8	+ 1/8
14 1/2	14 1/8	ACI S&S	1.30	8.5	14 1/2	14 1/8	+ 1/8
14 1/2	14 1/8	ACI S&S	1.30	8.5	14 1/2	14 1/8	+ 1/8

12 Month High	Low	Stock	Div. Yld. %	PE	52 Week High	Low	Change
14 1/2	14 1/8	ACI Ind	1.30	8.5	14 1/2	14 1/8	+ 1/8
14 1/2	14 1/8	ACI Lab	1.30	8.5	14 1/2	14 1/8	+ 1/8
14 1/2	14 1/8	ACI S&S	1.30	8.5	14 1/2	14 1/8	+ 1/8
14 1/2	14 1/8	ACI S&S	1.30	8.5	14 1/2	14 1/8	+ 1/8
14 1/2	14 1/8	ACI S&S	1.30	8.5	14 1/2	14 1/8	+ 1/8

12 Month High	Low	Stock	Div. Yld. %	PE	52 Week High	Low	Change
14 1/2	14 1/8	ACI Ind	1.30	8.5	14 1/2	14 1/8	+ 1/8
14 1/2	14 1/8	ACI Lab	1.30	8.5	14 1/2	14 1/8	+ 1/8
14 1/2	14 1/8	ACI S&S	1.30	8.5	14 1/2	14 1/8	+ 1/8
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U.S. Raises Estimate Of Costs to Rescue or Close Banks in 1987

WASHINGTON — Government budget analysts have predicted that federal banking regulators will spend billions of dollars more on bank closings and bailouts this year than had been estimated.

The White House Office of Management and Budget now predicts that the Federal Deposit Insurance Corp. will pay out \$4.05 billion more to close or bail out failing, federally insured banks than it will collect in premiums this fiscal year, which ends Sept. 30, a budget office spokesman said Thursday.

Last August, the office estimated that the FDIC's collections from premiums would exceed its spending on bank rescues and closures by \$1.9 billion.

Similarly, in August the budget office estimated that for the Federal Savings and Loan Insurance Corp., which insures deposits in U.S. thrifts, payments for rescues and closures would exceed premiums by \$450 million. It now estimates that the payments will be \$4.05 billion more than collected premiums.

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LONDON — Coffee producers, disturbed by a sharp fall in its price, will discuss reintroducing export quotas at a meeting that the International Coffee Organization's executive board has called for Jan. 28, a spokesman said Friday.

Coffee market prices soared early last year because of drought in Brazil, which is the world's biggest producer, but they have dropped to about 125 cents a pound from 180 cents in September, the organization said.

Quotas have been suspended since February 1986. A reintroduction would have to be negotiated with the organization's consumers at a full council session. The organization's 50 producers represent 99 percent of coffee exports.

INTERNATIONAL FUNDS (Quotations by Funds Listed) 9 Jan. 1987

Fund Name	Assets	Price	Change	Fund Name	Assets	Price	Change
ALM MANAGEMENT	\$ 250.1	10.12	+ 0.01	12th FPA	\$ 1.1	10.12	+ 0.01
ALM ADV. FUND	\$ 250.1	10.12	+ 0.01	13th FPA	\$ 1.1	10.12	+ 0.01
ALM INTL. FUND	\$ 250.1	10.12	+ 0.01	14th FPA	\$ 1.1	10.12	+ 0.01
ALM EUROPE	\$ 250.1	10.12	+ 0.01	15th FPA	\$ 1.1	10.12	+ 0.01
ALM ASIA	\$ 250.1	10.12	+ 0.01	16th FPA	\$ 1.1	10.12	+ 0.01

DM - Deutsche Mark; BF - Belgium Franc; CF - Canadian Dollar; FF - French Franc; FL - Dutch Florin; Lit - Luxembourg Franc; ECU - European Currency Unit; pesetas - Spain; Sfr - Swiss Franc; ¥ - Yen; £ - British Pound; R - Real; \$ - U.S. Dollar; A\$ - Australian Dollar; NZ\$ - New Zealand Dollar; S\$ - Singapore Dollar; HK\$ - Hong Kong Dollar; M\$ - Malaysian Dollar; P\$ - Philippine Dollar; T\$ - Thai Baht; N\$ - New South Wales Dollar; C\$ - Canadian Dollar; F\$ - French Franc; L\$ - Lithuanian Dollar; S\$ - South African Dollar; Z\$ - Zimbabwe Dollar; R\$ - Russian Ruble; U\$ - U.S. Dollar; B\$ - Botswana Dollar; D\$ - Danish Krone; F\$ - French Franc; G\$ - Ghanian Cedi; H\$ - Hungarian Forint; I\$ - Israeli Sheqel; J\$ - Japanese Yen; K\$ - Kenyan Shilling; L\$ - Lithuanian Dollar; M\$ - Malaysian Dollar; N\$ - New South Wales Dollar; O\$ - Omani Rial; P\$ - Philippine Dollar; Q\$ - Qatari Riyal; R\$ - Russian Ruble; S\$ - South African Dollar; T\$ - Thai Baht; U\$ - U.S. Dollar; V\$ - Vietnamese Dong; W\$ - West German Mark; X\$ - Xhosa Rand; Y\$ - Yugoslav Dinar; Z\$ - Zimbabwe Dollar.

Be sure that your fund is listed in this space daily. Telex: Matthew GREENE at 613593F for further information.

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AGENCY MARK

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CURRENCY MARKETS

EMS: Finance Officials to Discuss Currency Realignment

West Germany, forcing up an already strong mark. At the same time, strikes by transport and public utility workers in France have increased pressure on the franc.

London Dollar Rates table with columns for Country, Unit, and Rate.

Intervention was heavy again Friday. At the Frankfurt foreign exchange fixing, the Bundesbank bought 1.03 billion francs, well up from its purchase of 179 million francs at Thursday's official setting.

Japan Bank Intervenes on Large Scale

TOKYO—Japan's central bank intervened massively and openly in foreign-exchange markets Friday, making what may have been its biggest single-day purchase of dollars in an attempt to prop up the U.S. currency against the yen, dealers said.

BUSINESS PROFILE / Kevin J. Parry, Businessman and Backer of Fast Yachts

Racing to Build an Empire, Win America's Cup

By Nicholas D. Kristof
New York Times Service
PERTH, Australia—On the knuckles of Kevin J. Parry's meaty fists you can still see the faded scars of the street battles he fought as a boy growing up in a modest neighborhood here.



Kevin J. Parry at home. He financed Kookaburra III, left, and Kookaburra II, camouflaged by waves top left, in the America's Cup.

THE EUROMARKETS

Perpetual FRNs End Firmer in Quiet Trade

By Christopher Pizzzy
LONDON—Most sectors of the Eurobond market ended quiet Friday after relatively quiet trading, but the perpetual floating-rate note sector was firmer after days of wide fluctuation.

The \$500 million bond launched Thursday for Denmark slipped to about 24 percent Friday compared with total fees of 1 1/2 percent. Dealers said the issue was not helped by the launch of the World Bank bond.

The bank's activity pushed the dollar to 158.20 yen at midday in Tokyo, up from 157.55 in New York at Thursday's close. But it closed at 157.60, down from 158.20 at Thursday's close in Tokyo.

The Parry family's luxurious marble and hardwood home in Perth's fashionable Dalkeith suburb still resembles the modest homes in the community in which he grew up.

Parry remains a fighter, but today the venue has shifted to the corporate boardroom and to a stretch of ocean off Fremantle, near Perth, where the world's best sailboats are competing for the America's Cup.

Parry Corp. has grown quickly, with assets surging five-fold over the last five years to 290.8 million Australian dollars, or the equivalent of \$195 million at current rates.

Parry says now he will place more attention on profitability, but he also appears to have bold plans for overall growth. He predicts that assets will grow more than 15-fold over the next five to 10 years.

Friday's OTC Prices NASDAQ prices on a 4 p.m. New York time.

Table of OTC prices for various stocks, including ABC, AIG, AIZ, etc.

Table of stock prices for various companies, including 12 Month High, Low, and Change.

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Table of stock prices for various companies, including 12 Month High, Low, and Change.

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SPORTS

24 Years After That 'Coldest Day' Loss, Giants Aim to Sneak Up on Title

By Dave Anderson
New York Times Service
NEW YORK — It's as if that icy wind...

"I think my ears are frozen," Starr said.
That wind from left field had gusted up to 50 miles per hour (80 kilometers per hour).

center field, Jim Taylor churned for 85 yards and the Packers' only touchdown.
"I don't ever remember being hit so hard," Taylor said.

Over more than half a century, the Giants have had a brutal 3-11 record in championship games — 3-4 at Yankee Stadium and earlier at the Polo Grounds, 0-7 on the road.

Flaherty, an end for the Giants, suggested to coach Steve Owen that the players wear sneakers, as his Gonzaga team had a decade earlier on a frozzy field.

"Could you rush up to Manhattan," the coach asked, "and get as many pairs of sneakers as you can?"

Championship Seasons Are Down to 4 Quarters

By Barry Wilner
The Associated Press
CLEVELAND — The Cleveland Browns played like champions during the last weeks of the National Football League season.

That has no bearing on this game, said the Browns' coach, Art Modell. "I think we are ready for the Browns and, if we play as we will, we'll be fine."



Phil Simms, the Giants' quarterback, made sure he was well protected against the chill during practice Thursday.

Jordan Shuns 'Machine' Tag But Continues His Scoring

The Associated Press
CHICAGO — "All along last I've lost the tag of being known as the Bulls' one-man scoring machine."

10 Players Test Baseball Free-Agency

United Press International
NEW YORK — Two power-hitting catchers, a former Cy Young Award winner and a batting champion...

Cup Jury Adjourns, Leaving Australia IV's Fate Undecided



DRIVING INTO CONTENTION — Greg Norman of Australia, teeing off on the 18th hole of the Tournament of Champions, shot 70-139 for the second round and finished four strokes behind new leader Rick Fehr in Carlsbad, California.

By Ruth Youngblood
United Press International
FREMANTLE, Australia — The international jury pondering the survival of Australia IV adjourned Friday night to seek more information before deciding whether the American Cup defender finals will be an all-Kookaburra affair.

U.K. Horse Disqualified — For Eating Candy Bar

By Andrew Warshaw
The Associated Press
LONDON — A sweet-toothed thoroughbred that munched on a 30-cent chocolate bar the day before winning a big race has been disqualified, losing \$15,000 in prize money and saddling his trainer with a fine.

There has been so much pressure upon them they decided not to meet at the Port Authority Building as usual but at a secret place," he said.

AFC PREVIEW

Yet Elway's ability to run with the ball presents the Cleveland defense with a problem the Denver defense can ignore. Elway scored for 257 yards this season; Kosar, who prefers the pocket, gained 19 yards on 24 runs.

NBA FOCUS

He made 20 of 34 field goal attempts and was 13 of 16 from the free throw line.
Jordan's previous regular-season high was 50 points on Nov. 1 against the New York Knicks.

SCOREBOARD

Table with columns for Hockey (NHL Standings, Selected College Scores) and Basketball (NBA Standings, Selected College Scores). Includes team names, records, and scores.

Transition

ALABAMA — Normand Don Lindsey, Ray Shaver, Mac McWhorter, Andy Christoff, Keith Coleman, John Curry, Larry Hoveland, Cole Wideman, assistant coaches. Harwood Jock Flips administrator.

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A Wedding and a Feud in the House of Jaipur

By Elisabeth Bumiller

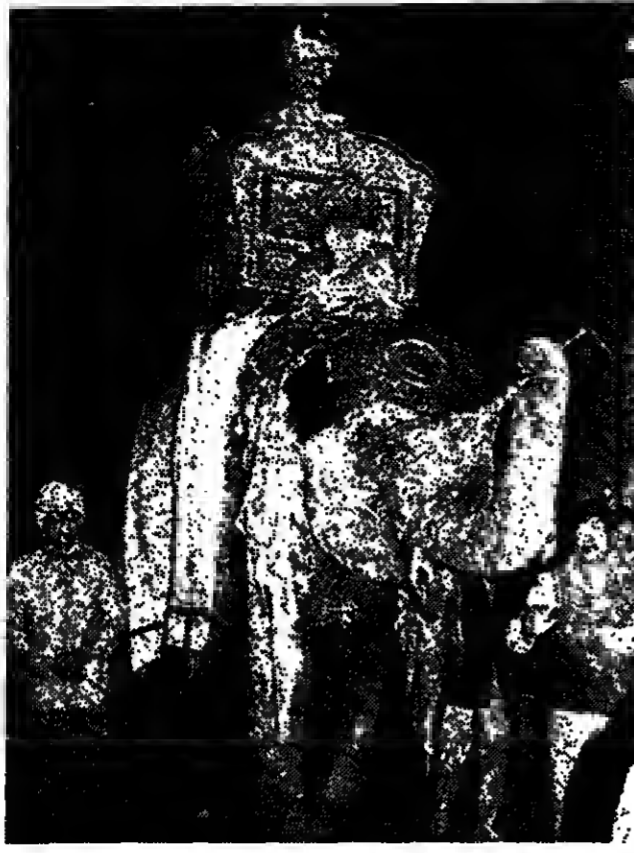
Washington Post Service
JAIPUR, India — The women got their crowns off the vault. The men wrapped their heads in scarlet turbans, then preened with their swords in front of the mirror. The queen mother, who counts Jacqueline Onassis and Queen Elizabeth II among her friends, arrived in her chauffeured white Mercedes. India has changed from the days when maharajas controlled one-third of the country, but the House of Jaipur, the nation's most glamorous clan of onetime royals, did not let that spoil its family reunion.

It was a gathering to mark the second marriage of a son in an important branch of the Jaipur family. The groom arrived at the wedding by elephant. But the nearby wedding get-together in this city of palaces was also a chance to celebrate the old traditions in a country that no longer recognizes them. The Jaipuris were among the richest of the country's 600 princely families, and even more than the others, they lived in the India of glitter and excess: tiger shoots, polo matches, party weekends at hunting lodges surrounded by the golden desert in what is now the modern Indian state of Rajasthan. The queen mother's grandfather kept trained parrots that rode little silver bicycles. Her mother had a gold tongue scraper and also a live turtle encased with diamonds and rubies that she used as a good-luck charm at the gambling tables of France.

But things are not well with the Jaipuris these days. Among the topics at the wedding was a lawsuit over an estate estimated at \$400 million that is splitting the family, pitting the widowed queen mother against her stepson, the current maharaja. At the heart of the quarrel is whether the estate belongs to the whole family or the maharaja alone.

"It's only he who is creating this problem," the queen mother says of the maharaja, Bhawani Singh — "Bubbles" to friends. Bubbles calls the situation "sad" but adds that "it's not like I have everything and the rest of them are out on the street."

Life hasn't been the same for the princes of India since they lost



House of Jaipur weddings: Bridegroom parried on an elephant and the queen mother held court at Lilly Pool.

their kingdoms when the country became independent in 1947. Things became more unpleasant when Prime Minister Indira Gandhi abolished their titles and government stipends in 1971.

The star guest at the wedding was the queen mother, Gayatri Devi. When she arrived, people touched her feet. In Jaipur, these days she holds court at Lilly Pool, a large sun-filled house on the grounds of her former home, the Rambhag Palace. Thirty years ago the family turned Rambhag into a luxury hotel to pay for the upkeep, and now tourists can stay in Gayatri Devi's old bedroom suite for \$250 a night.

Lilly Pool is airy and spacious, with yards of paisley, tables of polo trophies and a signed photograph of Prince Charles in a silver frame. A servant steers the way to a plump chair in the living room. A cup of tea materializes and after some time, so does the queen mother, still striking at 67, walk-

ing briskly forward in an unregal outfit of dark brown slacks and a plaid cotton shirt. "I was always a tomboy," she says in a throaty English accent that makes her sound like an Indian Talihluh Bhandarkar. "If I got up in the morning, it was rush, rush, I've got to go riding. There was no time to look in the mirror and pluck an eyebrow."

These days she spends her summers in the United States and Europe and her winters in Jaipur. It is a beautiful city of broad streets, shrieking peacocks and buildings painted a warm ochre pink, yet the queen mother and her friends deride the politicians and other "outsiders" who they say have allowed rubble and tatty street signs. She lives in the closed world of Jaipur's old nobility, going to small dinners in big homes, taking tea in the garden, entertaining foreign celebrities who pass through town. Jackie Onassis stayed with her at Lilly Pool in 1983. "I feel at

home with her," the queen mother says. Last year Mick Jagger dropped by her stepson's house.

In India, she has projects: two schools, a durumri rug business, a stud farm, charity work. In New York, she lent more than a year ago, she went to the rounds of parties celebrating the "Costumes of Royal India" exhibit at the Metropolitan Museum; 40 percent of the show came from Jaipur and the family's private collection.

She grew up as the daughter of the Maharaja of Cooh Behar, in northeastern India, in a palace with 400 servants. She was raised as a liberated princess who never lived in "purdah," cloistered away in the traditional women's quarters. She shot her first panther when she was 12, went to finishing school in London and Switzerland, then fell in love with a dreamboat, the young Maharaja of Jaipur, "Jai" to his friends. He was one of the world's finest polo players and liked a good party. She became his third wife, then had to adjust to life in Jaipur with the other two. "I think it's much

easier to get on with your husband's other wife, who has an official position, and a status, than his mistress, who's usurping you," she says.

Jai died in 1970 of a heart attack during a polo match, leaving her, she once wrote, "to retreat into stricken seclusion, overpowered by grief." She has recounted her life in her book, "A Princess Remembers," written with Santha Rama Rau.

In the lawsuit, she has aligned herself against Bubbles and with his three younger stepbrothers. They argue that when Bubbles took possession of the estate after Jai died, he did so on behalf of the family. But Bubbles says family custom dictates that he should be the sole inheritor.

bles is one of the few maharajas who still lives in his family palace. The 100-year-old floor-to-ceiling wall paintings gleam as if new. There are Persian rugs, priceless mogul miniatures and crystal chandeliers. Everything is done in a golden yellow, warmed by the desert sun.

"Yes, it is a lovely room," says his highness, who is wearing a V-neck sweater with two small holes in the front and a gold bracelet consisting of a diamond the size of a chickpea.

Bubbles is the second child and only son of Jai and his first wife, who were married in 1923, when Jai was only 12. The wife was from the Jodhpur family, much older than Jai, and the wedding was merely an alliance. She was called "First Her Highness" and lived in the women's quarters. Bubbles was born when Jai was 18, and so much champagne flowed in the ensuing celebrations that his English nanny gave him his nickname, which stuck.

In 1932, Jai married a second wife, or "Second Her Highness." This was also arranged by the family. She gave birth to two sons, Jai and Pat, and lived in the women's quarters. In 1940, Jai and the current queen mother were married for love. At that time she was called "Third Her Highness" and gave birth to one son, Jagat.

The family insists that everyone got on well. "In those days, lots of people had two wives," says Jai, who manages some of the family investments. "We were all treated the same. We never felt 'this is my mother, and this is not my mother.' Our father got on well with all of them."

PEOPLE

Jewelry Firm Fined

The jewelry firm Van Cleef & Arpels has been fined \$5 million in New York for falsifying records to evade sales taxes. Mayer Edward L. Koch of New York said it was the largest penalty levied in the state in such a case. Two of the company's officers, Chaole Aspelis, 74, the president, and Al Schwartz, 66, the controller, received conditional discharges from state Supreme Court Justice George Roberts after each pleaded guilty Thursday to a single count of a 273-count indictment. The judge fined Arpels \$20,000, payable immediately, but spared Schwartz jail or a fine probably because he was just following directions.

Unpublished short stories by the mystery writer Dashiell Hammett have turned up among the possessions of Lilian Hellman and will soon be published. A trustee for Hellman's estate, Peter Feltsman, said about a half-dozen stories by Hammett were found among Hellman's belongings — in desk drawers and boxes — after she died in June 1984. Hellman was Hammett's last lover and close friend for decades until he died 25 years ago. He left title to his literary property to her.

Placido Domingo is being sued for more than \$100,000 (\$145,000) by organizers of the London concert he canceled last month in a cloud of controversy. The Krugger Organization, which promoted the concert at Wembley Stadium in London, announced Thursday that it had begun legal proceedings against the Spanish-born tenor and his agents, Margherita Stafford and David Lew. Domingo announced the day before the Dec. 17 concert that the \$15,500-550 ticket prices were "very, very high" and he would not perform.

Xavier Cugat, who turned 87 on New Year's Day, said in Barcelona Friday he is coming out of retirement after 15 years and will return to the stage with a new band next Tuesday. Cugat said that the 25-member group would play the same Latin American style which earned him the nickname "the Rhumba King" during his heyday in the 1930s. Born in Spain but raised in Cuba, Cugat spent nearly a month in hospital last year with heart and lung ailments.

Vertical text on the right edge of the page, including a large advertisement for 'New U.S. ...' and other fragmented text.

LEGAL NOTICES

WORLD NICHOLAS ROUFF of 32 Crofton Road, Worthington, West Sussex, England, has accepted the offer of marriage by ...
ANNOUNCEMENTS
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NEED A COURSE to buy ...
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